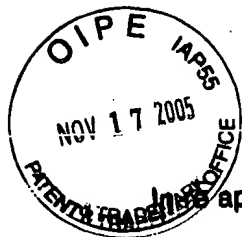


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2907-0102P

## IN THE U.S. PATENT AND TRADEMARK OFFICE

## Before the Board of Appeals

In re application of

NIEBOER et al.

Appeal No.:

Appl. No.:

09/624,076

Group:

3624

Filed:

JULY 24, 2000

Examiner:

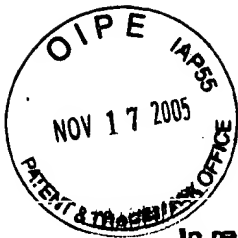
PATEL, J.

Conf.:

5065

For:

DOUBLE DUTCH AUCTION FOR  
ESTABLISHMENT AND MAXIMIZATION OF  
SALES PRICE OF GENERIC FUNGIBLE  
ITEMS



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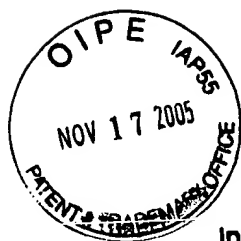
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For:

FUEL ASSEMBLY NOZZLE

**BRIEF ON BEHALF OF APPELLANTS**

MS AF

Commissioner for Patents

P.O. Box 1450

Alexandria, VA 22313-1450

November 16, 2005

Sir,

This is an Appeal from the Final Rejection of Claims 1 to 24 in the above-identified application, which claims were finally rejected in the Office Action dated May 19, 2005.

I. **REAL PARTY IN INTEREST**

This application is assigned to 5<sup>th</sup> Market, LLC which is the real party in Interest.

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II. RELATED APPEALS AND INTERFERENCES

There are no related appeals or interferences that would have a bearing on the Board's decision in this pending appeal.

III. STATUS OF CLAIMS

Claims 1 to 24 are present in this application, and the FINAL REJECTIONS thereof are hereby appealed.

Claims 1 to 24 have been finally rejected by the Examiner in connection with the above-identified application. Claims 1 to 24 are set forth in the attached Appendix.

IV. STATUS OF AMENDMENTS

A Notice of Appeal was filed on August 19, 2005 with no further amendments.

V. SUMMARY OF THE INVENTION

The present invention relates to the processing of conditional orders defined by algorithms in an "Electronic Trading System" (pg. 1, lines 12-15). The process is computer-assisted, in that the system includes various "computers", such as those used in parent application USP 6,418,419.

The nature of the algorithms being processed is illustrated by exemplary data provided in Tables A-1 to A-4 on pgs. 7 to 9 of this application as of its filing date. As stated on page 8, line 4 of the specification the algorithms and data are electronically matched to establish a maximum sales price of a generic set of fungible items as an independent function of sales prices of a second set of sales

prices. It should be clear to anyone that electronic matching is performed by a computer.

VI. ISSUES

Claims 1 to 24 stand finally rejected under the first paragraph of 35 U.S.C. 112 as lacking a proper written description. This is the sole issue.

The Examiner does not contest that the claimed invention lacks enablement, nor that it relates to non-statutory subject matter. Those rejections were withdrawn.

VII. GROUPING OF CLAIMS

The patentability of all claims may be considered on the basis of the invention as defined by independent claim 1.

VIII. ARGUMENTS BY APPELLANTS

The Examiner concludes that:

"the specification is silent about any form of technological implements including a computer to carry out the claimed invention. In particular, the specification as originally filed fails to show any descriptive means such as those enumerated above in support of the claimed invention as being implemented on a computer and thus fails to meet the written description requirement under 35 U.S.C. 112, first paragraph and therefore claims 1-24 stand rejected as stated in the prior office action."

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Prosecution history of this application leading up to the above conclusions in the Final Rejection is useful in shedding light on the limits of the rejection to the sole issue of adequacy of the written description.

In the first Office Action, the Examiner rejected the claims as being non-statutory subject matter. This prompted Appellants to amend the claims to clarify that the process is "computer assisted". The Examiner then withdrew the non-statutory rejection.

But in subsequent Office Actions the Examiner alleged that the specification does not support the term "computer" and that the disclosure was non-enabling. Appellant successfully traversed the non-enablement rejection, and it was withdrawn.

But in the Final Rejection the Examiner now concludes that notwithstanding the existence of the enablement, that the specification lacks a proper written description.

However, the Final Rejection reasons expressed by the Examiner appear to dance along a blurred line between "enablement" and "written description" criteria. Therefore, Appellants' following arguments address both the "enablement" and "written description" criteria.

Appellant respectfully submits that the specification as filed contains a proper written description of the claimed invention, especially in conjunction with the computerized trading system of the parent application; the '419 Patent.

Since the '419 Patent is incorporated by reference into the subject application, such references to computers and block diagrams, of computer

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networks in the '419 Patent provide clear support in the subject application for a "computer assisted" method.

In addition, the subject patent application recites on pg. 1, lines 12-15 that the method is to be implemented by an "Electronic Trading Network", which by definition uses computers and thus is "computer assisted". Furthermore, this statement of an "electronic Trading System" adds context to the previous reference to the relationship to the subject application, and the parent application USP 6,418,419.

Still further, the subject application on pg. 8, line 4 recites an "Electronic Matching ..." process. Clearly, the context of this statement combined with the foregoing statements on page 1 of the specification is synonymous with the term "Computer Assisted".

The Declaration under 37 C.F.R. 1.132

The Declaration of Jeremy Sanders is probative of sufficiency of both the "written description" and "enablement" criteria of 35 U.S.C. 112, par. 1.

Note, for example, that Mr. Sanders was given the subject application, as filed, with no additional explanations; and it was clear to Mr. Sanders that the method of the present invention claimed was to be implemented by computers. See par. 4 of the declaration. In other words, it is clear to Mr. Sanders that an "Electronic Trading System" is synonymous with a Computer Trading System. And this is a conclusion that he reached from reading of the original "written description" of the subject application.

The Sanders Declaration is also probative of "enablement", although there is presently no rejection of record based on lack of enablement. Of course, proof of

enablement has a higher threshold than proof of a proper "written description", so proof of enablement adds credence to proof of a proper "written description".

### Rebuttal of Examiner's Arguments

Quoting the Examiner:

"6. A thorough review of the '419 patent does not recite the embodiment of trading process comprising a primary auction and secondary auction .... Therefore, the '419 patent does not lend any support for the written description for the claimed invention in any detail."

Appellants contend that the '419 Patent fleshes out the written description of this application at least by making it clear that an "Electronic Trading Network" includes -computers- and such computers are used for "electronic matching".

Further quoting the Examiner:

"7. The applicant argues that Declaration under 37 CFR 1.132 of Jeremy Sanders ..... meets the standard for written description and that the contested new matter is within skill of one of ordinary skill in the art.

8. This argument is not persuasive because what may or not be obvious to one of ordinary skill in the art is not the test for a new matter Lockwood vs. Anderson, 41USPQ 2d @1966.

9. Applicant has the burden of showing that a person of skill in the art "would have understood, at the time of the patent



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application was filed, that the description requires the limitation." Hyatt, 47USPQ 2d A1131."

These three paragraphs, 7 to 9, distort Appellants' arguments. Appellants do not submit the Sanders' Declaration to show non-obviousness, but rather to show that the written description and enablement criteria are satisfied by no more than routine experimentation after reading the original specification. Thus, holdings in Lockwood and Hyatt are not relevant to the subject facts.

Again quoting the Examiner:

"10. The applicant is required to show that the applicant had in his or her possession, as of the filing date of the application, the specific subject matter claimed by the applicant using such descriptive means as words, structures, figures, diagrams and formulas that set forth the claimed invention. Lockwood v. American Airlines, Inc., 107 F.3d 1565, 41 USPQ2d 1961 (Fed. Cir. 1997)."

The Sanders' Declaration is probative of all of this criteria. Sanders based all of his conclusions on the text of the application at the time of filing. Thus, this holding in Lockwood is satisfied.

#### IX. CONCLUSIONS

Thus, for the above reasons the original specification has a proper written description understandable by a routineer.

Accordingly, the FINAL REJECTION of record is in error, and reversal by the Board of Appeals is respectfully requested.

The required Appeal Brief fee in the amount of \$250.00 plus a fee of \$60.00 for a one month extension of time are attached hereto.

If necessary, the Commissioner is hereby authorized in this, concurrent, and future replies, to charge payment or credit any overpayment to Deposit Account No. 02-2448 for any additional fees required under 37 C.F.R. § 1.16 or under 37 C.F.R. § 1.17; particularly, extension of time fees.

Respectfully submitted,

By Anthony L. Birch  
Anthony L. Birch, #26,122

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2907-0102P

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ATTACHMENT: APPENDIX - CLAIMS ON APPEAL

<b>Certificate of Transmission</b>
I hereby certify that this correspondence is being deposited with the United States Postal Service as First Class mail in an envelope addressed to:
Commissioner of Patents and Trademarks, P.O. Box 1450, Alexandria, VA 22313
Signature: <u>Anthony L. Birch</u>
Printed Name: <u>A. BIRCH</u>
Date: <u>11/16/05</u>

## CLAIMS ON APPEAL

What is claimed is:

1. (once amended) A computer-assisted process for the establishment and maximization of the sale prices of a generic set of fungible items comprising the steps of:

conducting a primary auction for the sale of the generic set of fungible items based on purchase orders at fixed prices and/or conditional orders at prices contingent upon the sale of items in a second set of fungible items;

simultaneously conducting a secondary auction for the sale of said second set of fungible items; and

completing sales in the primary auction based on sales results in the secondary auction thereby establishing and maximizing the sales price of said generic set of fungible items as an interdependent function of sales prices of the second set of fungible items using a computer.

2. (original) The process of claim 1 wherein the generic fungible item is a new issue convertible bond of an underwriter and the second set of fungible items are common stock convertible with respect to the convertible bonds.

3. (original) The process of claim 1 including the further steps of:

conducting a tertiary auction simultaneously with the primary and secondary auctions for a third set of fungible items having contingencies relating to the sale of the generic fungible items and/or the second set of fungible items.

4. (original) The process of claim 2 including the further steps of:  
conducting a tertiary auction simultaneously with the primary and secondary auctions for a third set of fungible items having contingencies relating to the sale of the generic fungible items and/or the second set of fungible items.
5. (original) The process of claim 4 wherein the tertiary fungible items are orders to loan stock, and said orders may be contingent upon the purchase of stock in the secondary auction.
6. (original) The process of claims 1 to 5 wherein sales prices of orders per unit are maximized as a function of order quantity electronically compared with quantities in orders within each respective simultaneous auction.
7. (original) The process of claim 1 wherein the generic fungible items are security instruments, and the conditional orders contingent upon the sale of items in the second set of fungible items are in the form of algorithms with constraints thereon that represent a willingness to transact, where price is a dependent variable of the algorithm within the constraints and the price of another security is an independent variable of the algorithm.

8. (original) The process of claim 7 wherein the order price of a conditional order, as represented by the algorithm, includes an order quantity subject to another algorithm.

9. (original) The process of claim 7 wherein the conditional order algorithm can be represented as a line in two dimensional space with constraints having the price of one security as one axis and the price of another security as its other axis.

10. (original) The process of claim 7 wherein the instrument includes bonds.

11. (original) The process of claim 7 wherein the instrument includes warrants.

12. (original) The process of claim 7 wherein the instrument variable may include multiple independent variables.

13. (original) The process of claim 7 wherein the instrument includes options.

14. (original) The process of claim 7 wherein the instrument includes futures.

15. (original) The process of claim 7 wherein the instrument includes forward contracts.

16. (original) The process of claim 7 wherein the instrument includes swap contracts.

17. (original) The process of claim 7 wherein the price of the conditional order may be a yield.

18. (original) The process of claim 7 wherein the price of the conditional order may be a volatility.

19. (original) The process of claim 7 wherein the price of the conditional order may be a yield spread.

20. (original) The process of claim 7 wherein one of the conditions of the conditional order is the requirement that another security is traded contemporaneously.

21. (original) The process of claim 7 wherein one of the conditions of the conditional order is that no transaction can occur when the independent price is above or below set limits.

22. (original) The process of claim 7 wherein one of the conditions of the conditional order is that the price is not to exceed a specified level regardless of the results produced by the algorithm.

23. (original) The process of claim 7 wherein one of the conditions of the conditional order is that the price is not to be less than a specified level regardless of the results produced by the algorithm.

24. (original) The process of claim 7 wherein one of the conditions of the conditional order is the requirement that the orders be match/compared without use of prices fed from said external multiple exchanges.